Beaver County Combined District Courts

Summary Audit Report
For the Period January 2014 through December 2015

David A. Rossi Beaver County Controller

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DAVID A. ROSSI CONTROLLER



WILLIAM CALHOON CHIEF DEPUTY CONTROLLER

ALBERT A. TORRENCE SOLICITOR

BEAVER COUNTY COURTHOUSE THIRD STREET -BEAVER, PENNSYLVANIA 15009-2196 TELEPHONE: 724-728-5700

October 11, 2016

Mr. A. R. DeFilippi Beaver County Court Administrator Beaver County Court House Beaver, PA 15009

Dear Mr. DeFilippi:

We have audited the financial records of the nine District Courts in the county of Beaver of the state of Pennsylvania for the period <u>January 1, 2014 through December 31, 2015</u>. Based upon the audits we have issued our summary report thereon dated October 11, 2016.

We conducted our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. Based upon our review of the financial records, in our opinion, the statement of revenues and expenditures is fairly stated in all material aspects.

David A. Rossi

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Beaver County Controller

AUDIT SCOPE:

The scope of these audits encompassed the period from January 1, 2014 to December 31, 2015.

AUDIT OBJECTIVES:

Through the completion of internal control questionnaires, control tests, substantive tests, and observation, the following audit objectives were accomplished for these audits:

- Prepared financial statements for each year reviewed
- Evaluated controls over the District Court's checking accounts
- Ensured that funds were deposited on the same day received
- Ensured that funds received were disbursed to the proper payees
- Ensured that funds held in escrow were adequate
- Ensured that funds receipted were applied to the proper case
- Ensured that costs and fines were properly split upon receipt
- Ensured that reports and funds due to the Commonwealth were correct and remitted in a timely manner
- Ensured that proper documentation was maintained in the case files
- Evaluated the controls over cash
- Evaluated the controls over purchasing and the administration of the budget
- Evaluated controls over general office procedures

COMBINED DISTRICT COURTS STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning cash balance (1/1/2014)

\$ 184,380.08

Receipts:

Traffic	\$ 3,079,741.50
Non-Traffic	776,740.68
Landlord / Tenant	239,280.12
Civil	185,742.57
Miscellaneous and other fees	30,620.35
Criminal	22,365.40

Total receipts

4,334,490.62

Disbursements:

Commonwealth of Pennsylvania	\$ 2,381,635.66
Municipalities	697,170.01
Beaver County	562,616.91
Server Costs	316,883.20
Restitution & Refund Bail / Collateral	314,517.42
Miscellaneous Schools & Libraries	37,079.60

Total disbursements

(4,309,902.80)

Ending cash balance (12/31/2014)

\$ 208,967.90

DISTRICT COURT 36-1-01 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning cash balance (1/1/2014)	\$ 16,990.50
Receipts:	
Traffic \$ 418,32 Non-Traffic 79,18 Landlord / Tenant 33,97 Civil 18,66 Criminal 12,10 Miscellaneous and other fees 1,440	9.65 3.09 2.50 1.25
Total receipts	563,694.38
Disbursements:	
Commonwealth of Pennsylvania \$ 260,393 Ambridge Borough 104,496 Beaver County 53,293 Restitution & Refund Bail / Collateral 46,363 Server Fees 26,463 Harmony Township 24,556 Baden Borough 19,372 Ambridge Area School District 5,223	6.42 7.43 3.88 5.88 0.28 2.72
Total disbursements	(540,163.85)

Ending cash balance (12/31/2014)

\$ 40,521.03

DISTRICT COURT 36-1-02 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning	cash	balance	(1/1)	/2014)

\$ 15,902.69

Receipts:

Traffic	\$ 190,702.67
Non-Traffic	112,839.05
Landlord / Tenant	54,024.20
Civil	21,947.70
Miscellaneous and other fees	10,205.00
Criminal	500.00

Total receipts

390,218.62

Disbursements:

Commonwealth of Pennsylvania	\$ 167,887.98
Server Fees	61,388.45
Beaver County	57,885.94
Beaver Falls City	54,298.73
Restitution & Refund Bail / Collateral	25,437.99
Beaver Falls Parking Authority	9,551.60
Patterson Township	5,593.67
White Township	4,700.19
Fallston Borough	1,763.71
Big Beaver Falls Area Schools	1,739.82
West Mayfield Borough	385.21
Eastvale Borough	334.28
Patterson Heights Borough	328.39
New Brighton Borough	176.42

Total disbursements

(391,472.38)

Ending cash balance (12/31/2014)

\$ 14,648.93

DISTRICT COURT 36-1-03 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning cash balance (1/1/2014)	\$ 9,391.58
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Receipts:

Traffic	\$ 102,029.45
Non-Traffic	52,649.50
Landlord / Tenant	48,294.70
Civil	12,065.85
Criminal	2,500.00
Miscellaneous and other fees	738.05

Total receipts 218,277.55

Disbursements:

Commonwealth of Pennsylvania	\$ 97,989.95
Server Fees	38,949.44
Beaver County	35,030.75
Aliquippa City	25,146.23
Restitution & Refund Bail / Collateral	11,677.14
Aliquippa School District	9,545.10
Harmony Township	47.28

Total disbursements (218,385.89)

Ending cash balance (12/31/2014) \$ 9,283.24

DISTRICT COURT 36-2-01 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning	cash	balance	(1/1/201-	4)
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\$ 38,662.55

Receipts:

Traffic	\$ 744,996.47
Non-Traffic	176,754.00
Civil	29,025.04
Landlord / Tenant	21,400.10
Miscellaneous and other fees	1,572.45
Criminal	15.25

Total receipts 973,763.31

Disbursements:

Commonwealth of Pennsylvania Beaver County	\$ 516,784.24 116,851.57
Rochester Borough	72,038.65
Restitution & Refund Bail / Collateral	69,698.72
Freedom Borough	56,301.78
Server Fees	55,327.19
New Sewickley Township	43,807.29
Economy Borough	11,245.93
Conway Borough	8,337.34
Rochester Township	8,019.66
East Rochester Borough	4,764.74
Freedom Area School District	2,000.40
Rochester Area School District	861.35
Ambridge Area School District	<u>554.11</u>

Total disbursements (966,592.97)

Ending cash balance (12/31/2014)

\$ 45,832.89

DISTRICT COURT 36-2-02 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning cash balance (1/1/2014)		\$	20,326.22
Receipts:			
Traffic Non-Traffic Civil Landlord / Tenant Criminal Miscellaneous and other fees	\$ 371,578.38 56,645.41 20,139.95 13,802.63 2,952.00 2,073.85		
Total receipts			467,192.22
Disbursements:			
Commonwealth of Pennsylvania Beaver County Restitution & Refund Bail / Collateral Server Fees Brighton Township Midland Borough Beaver Borough Ohioville Borough Bridgewater Borough Industry Borough Vanport Township Beaver Area School District Western Beaver School District Midland School District	\$ 261,239.91 62,246.79 43,712.61 27,376.10 19,512.45 16,127.46 11,802.23 8,666.47 6,623.17 1,835.69 2,168.10 177.25 25.00 1.61		
Total disbursements		(461,514.84)

Ending cash balance (12/31/2014)

\$ 26,003.60

DISTRICT COURT 36-3-01 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

	Beginning	cash	balance	(1/1/2014))
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\$ 28,435.21

Receipts:

Traffic	\$ 295,701.71
Non-Traffic	96,717.20
Civil	23,562.00
Landlord / Tenant	23,524.00
Miscellaneous and other fees	11,069.50

Total receipts

450,574.41

Disbursements:

Commonwealth of Pennsylvania	\$ 241,277.20
Beaver County	57,949.84
Restitution & Refund Bail / Collateral	50,832.37
Rochester Township	34,883.80
New Brighton Borough	31,940.08
Server Fees	24,785.85
North Sewickley Township	6,339.67
Franklin Township	6,087.40
Pulaski Township	1,209.21
Daugherty Township	1,125.99
Marion Township	681.41
New Brighton Area School District	585.89
Rochester Area School District	440.77
Riverside School District	312.60
Ellwood City Borough	175.35
New Sewickley Township	33.43
Fallston Borough	25.00
Aliquippa City	24.73

Total disbursements

(458,710.59)

Ending cash balance (12/31/2014)

\$ 20,299.03

DISTRICT COURT 36-3-02 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning	cash	balance	(1/1)	/2014)

\$ 20,999.48

Receipts:

Traffic	\$ 381,324.13
Non-Traffic	62,651.37
Civil	14,959.18
Landlord / Tenant	8,145.60
Criminal	750.00
Miscellaneous and other fees	242.50

Total Revenues 468,072.78

Disbursements:

Commonwealth of Pennsylvania	\$ 350,602.11
Beaver County	63,420.16
Restitution & Refund Bail / Collateral	16,047.69
Server Fees	13,266.36
Chippewa Township	12,083.73
Darlington Township	5,248.81
Koppel Borough	3,369.65
South Beaver Township	2,086.22
Blackhawk School District	1,378.53
Big Beaver Borough	595.09
Darlington Borough	436.69
New Galilee Borough	403.00
Homewood Borough	400.00

Total Disbursements (469,338.04)

Ending cash balance (12/31/2014)

\$ 19,734.22

DISTRICT COURT 36-3-03 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning cash balance (1/1/2014)		\$	22,846.67
Receipts:			
Traffic Non-Traffic Civil Landlord / Tenant Criminal Miscellaneous and other fees	\$ 388,371.46 99,729.03 25,542.15 24,330.90 2,046.90 1,613.80		
Total receipts		35	541,634.24
Disbursements:			
Commonwealth of Pennsylvania Beaver County Server Costs Monaca Borough Restitution & Refund Bail / Collateral Center Township Raccoon Township Shippingport Borough Central Valley School District Green Township South Side School District Potter Township Hookstown Borough Georgetown Borough	\$ 316,599.73 83,282.29 54,626.60 33,381.29 32,682.48 15,891.61 4,524.49 2,837.49 1,220.71 376.79 348.69 260.68 50.00 37.67		
Total disbursements		(;	546,120.52)

Ending cash balance (12/31/2014)

\$ 18,360.39

DISTRICT COURT 36-3-04 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2014

Beginning cash balance (1/1/2014)	\$ 10,825.18

Receipts:

Traffic	\$ 186,709.59
Non-Traffic	39,565.47
Civil	19,838.20
Landlord / Tenant	11,784.90
Miscellaneous and other fees	1,664.95
Criminal	1,500.00

Total receipts 261,063.11

Disbursements:

Commonwealth of Pennsylvania	\$ 168,860.79
Beaver County	32,652.14
Restitution & Refund Bail / Collateral	18,064.54
Server Fees	14,697.33
Hopewell Township	13,311.96
South Heights Borough	4,201.67
Hopewell Area School District	3,112.68
Independence Township	1,834.38
Hanover Township	768.23
Frankfort Springs Borough	100.00

Total disbursements (257,603.72)

Ending cash balance (12/31/2014) \$ 14,284.57

COMBINED DISTRICT COURTS STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)

\$ 208,967.90

Receipts:

Traffic	\$ 2,812,925.75
Non-Traffic	699,075.41
Landlord / Tenant	256,291.67
Civil	197,151.55
Criminal, miscellaneous and other fees	33,131.71

Total receipts

3,998,576.09

Disbursements:

Commonwealth of Pennsylvania	\$ 2,321,459.55
Municipalities	639,797.53
Beaver County	540,306.60
Server Costs	285,427.66
Restitution & Refund Bail / Collateral	211,820.76
Miscellaneous Schools & Libraries	29,691.28

Total disbursements

(4,028,503.38)

Adjustments:

Adjustment for IOLTA	(0.09)
Miscellaneous	(77.00)

Ending cash balance (12/31/2015)

\$ 178,963.52

DISTRICT COURT 36-1-01 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash	balance	(1/1/2015)
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\$40,521.03

Receipts:

Traffic	\$ 305,618.52
Non-Traffic	72,806.57
Landlord / Tenant	36,556.50
Civil	21,870.55
Criminal, miscellaneous and other fees	3,530.25

Total receipts 440,382.39

Disbursements:

Commonwealth of Pennsylvania	\$ 225,660.73
Ambridge Borough	102,688.82
Beaver County	46,829.35
Server Fees	26,633.75
Restitution & Refund Bail / Collateral	26,030.71
Harmony Township	17,485.25
Baden Borough	10,651.31
Ambridge Area School District	3,574.18

Total disbursements (459,554.10)

Adjustments:

Miscellaneous	12.52
Adjustment for IOLTA	(0.28)

Ending cash balance (12/31/2015) \$ 21,361.56

DISTRICT COURT 36-1-02 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)		\$ 14,648.93
Receipts:		
Traffic Non-Traffic	\$ 164,785.39	
Landlord / Tenant	110,061.38	
Civil	58,519.50	
Criminal, miscellaneous and other fees	22,285.05 492.85	
Total receipts		356,144.17
Disbursements:		
Commonwealth of Pennsylvania	\$ 169,274.92	
Server Fees	58,071.41	
Beaver County	52,285.53	
Beaver Falls City	45,568.86	
Restitution & Refund Bail / Collateral	11,071.25	
Beaver Falls Parking Authority	6,512.40	
Patterson Township	5,969.77	
White Township	5,162.90	
Big Beaver Falls Area Schools	2,290.92	
Fallston Borough	1,545.79	
New Brighton Borough	303.02	
Eastvale Borough	264.91	
West Mayfield Borough	239.14	
Patterson Borough	189.11	

Total disbursements (358,859.49)

109.56

Adjustments:

Carnegie Free Public Library

Adjustment for IOLTA 0.10 Miscellaneous (243.16)

Ending cash balance (12/31/2015) \$ <u>11,690.55</u>

DISTRICT COURT 36-1-03 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1	/1/201	5)
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\$ 9,283.24

Receipts:

Traffic	\$ 99,607.74
Landlord / Tenant	47,095.00
Non-Traffic	38,147.98
Civil	11,506.60
Criminal, miscellaneous and other fees	10,378.81

Total receipts 206,736.13

Disbursements:

Commonwealth of Pennsylvania	\$ 99,923.78
Beaver County	45,408.38
Server Fees	28,474.20
Aliquippa City	24,819.53
Restitution & Refund Bail / Collateral	10,115.86
Aliquippa School District	7,277.62

Total disbursements (216,019.37)

Ending cash balance (12/31/2015)

\$ 0.00

DISTRICT COURT 36-2-01 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)		\$ 45,8	832.89
Receipts:			
Traffic Non-Traffic Civil Landlord / Tenant Criminal, miscellaneous and other fees Total receipts	\$ 598,400.01 157,570.78 37,602.65 23,423.50 1,877.05	212.5	373.99
Disbursements:		010,0	013.99
Commonwealth of Pennsylvania Beaver County Rochester Borough Server Fees Restitution & Refund Bail / Collateral New Sewickley Township Freedom Borough Economy Borough Conway Borough Rochester Township East Rochester Borough Freedom Area School District Ambridge Area School District Rochester Area School District	\$ 436,363.43 103,592.69 63,525.15 61,358.79 46,010.62 41,458.51 31,030.39 15,400.22 8,633.82 5,327.68 4,564.54 1,831.75 855.32 215.12		
Total disbursements Adjustments:		(820,1	68.03)
Adjustment for IOLTA Miscellaneous		(<u>1</u>	(0.02) 18.33)

Ending cash balance (12/31/2015)

\$ 44,420.50

DISTRICT COURT 36-2-02 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)		\$	26,003.60
Receipts:			
Traffic Non-Traffic Civil Landlord / Tenant Criminal, miscellaneous and other fees Total receipts	\$ 343,988.11 45,351.49 21,945.86 12,478.49 4,197.50	2	427,961.45
Disbursements:			
Commonwealth of Pennsylvania Beaver County Restitution & Refund Bail / Collateral Server Fees Brighton Township Midland Borough Beaver Borough Bridgewater Borough Ohioville Borough Industry Borough Vanport Township Midland School District Beaver Area School District Western Beaver School District	\$ 255,604.17 59,537.55 35,658.83 21,841.16 21,078.00 16,125.46 8,687.90 7,100.30 5,476.43 1,173.09 1,153.13 59.42 18.24 15.00		
Total disbursements		(4	133,528.68)
Adjustments:			
Miscellaneous Adjustment for IOLTA			71.03 <u>0.06</u>

Ending cash balance (12/31/2015)

\$ 20,507.46

DISTRICT COURT 36-3-01 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)	\$ 20,299.03
Receipts:	
Landlord / Tenant 34,2 Civil 24,3	031.29 803.18 213.50 841.00 768.00 424,156.97
Disbursements:	
Restitution & Refund Bail / Collateral Rochester Township New Brighton Borough Server Fees 22,0 North Sewickley Township Franklin Township New Brighton Area School District Pulaski Township Marion Township Daugherty Township Riverside School District Ellwood City Borough Rochester Area School District Falston Borough	860.72 588.95 125.68 560.36 925.88 912.93 411.77 376.56 16.51 967.33 891.40 510.35 455.12 412.06 64.38 20.61 12.50
Total disbursements	(419,813.11)
Adjustments:	
Miscellaneous Adjustment for IOLTA	11.33 (<u>0.05</u>)
Ending cash balance (12/31/2015)	\$ <u>24,654.17</u>

DISTRICT COURT 36-3-02 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)	\$ 19,734.22
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Receipts:

Traffic	\$ 310,259.87
Non-Traffic	49,204.74
Civil	13,172.00
Landlord / Tenant	6,325.45
Criminal, miscellaneous and other fees	1,018.00

Total Revenues 379,980.06

Disbursements:

Commonwealth of Pennsylvania	\$ 287,293.47
Beaver County	52,500.96
Restitution & Refund Bail / Collateral	13,244.83
Chippewa Township	11,756.51
Server Fees	10,791.43
Darlington Township	2,871.10
Koppel Borough	2,786.45
Big Beaver Borough	2,063.97
Blackhawk School District	1,824.12
South Beaver Township	1,663.01
Darlington Borough	432.81
New Galile Borough	322.00

Total Disbursements (387,550.66)

Adjustments:

Miscellaneous	20.95
Adjustment for IOLTA	(0.03)

Ending cash balance (12/31/2015) \$ 12,184.54

DISTRICT COURT 36-3-03 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)		\$ 18,360.39
Receipts:		
Traffic Non-Traffic Civil Landlord / Tenant Criminal, miscellaneous and other fees	\$ 387,155.45 95,735.09 26,948.41 23,234.85 6,192.75	530.266.55
Total receipts Disbursements:		539,266.55
Commonwealth of Pennsylvania Beaver County Server Costs Restitution & Refund Bail / Collateral Monaca Borough Center Township Raccoon Township Shippingport Borough Central Valley Area School District Green Township South Side School District Potter Township Hookstown Borough Georgetown Borough	\$ 333,184.21 77,523.24 40,237.72 30,403.20 28,534.87 18,102.92 3,459.16 2,103.62 921.27 500.77 428.04 240.60 50.00 12.33	
Total disbursements Adjustments:		(535,701.95)
Miscellaneous Adjustment for IOLTA		95.80 <u>0.08</u>
Ending cash balance (12/31/2015)		\$ <u>22,020.87</u>

DISTRICT COURT 36-3-04 STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2015

Beginning cash balance (1/1/2015)	\$	14,284.57
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Receipts:

Traffic	\$ 328,079.37
Non-Traffic	40,394.20
Civil	17,479.43
Landlord / Tenant	14,444.88
Criminal, miscellaneous and other fees	4,676.50

Total receipts 405,074.38

Disbursements:

Commonwealth of Pennsylvania	\$ 272,294.12
Beaver County	44,939.95
Restitution & Refund Bail / Collateral	22,159.78
South Heights Borough	20,601.16
Hopewell Township	17,258.31
Server Fees	16,006.27
Hopewell Area School District	1,922.31
Independence Township	1,379.18
Hanover Township	746.91

Total disbursements (397,307.99)

Adjustments:

Miscellaneous	72.86
Adjustment for IOLTA	0.05

Ending cash balance (12/31/2015) \$ 22,123.87

COMBINED DISTRICT COURTS NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1, 2014 THROUGH DECEMBER 31, 2015

- Note 1: <u>Summary of Significant Accounting Policies</u> The District Courts report on a cash basis of accounting. Under the cash basis of accounting revenues are recognized when received and expenses recognized when the disbursement is made.
- Note 2: <u>Traffic Receipt Categories</u> -Transactions resulting from summary proceedings for offenses arising under the Pennsylvania Motor Vehicle Code and violations of local parking ordinances.
- Note 3: <u>Non-Traffic Receipt Categories</u> -Transactions resulting from non-traffic summary proceedings initiated by a police officer or private citizen.
- Note 4: <u>Civil Receipt Categories</u> Transactions resulting from civil actions filed for tortious conduct or contractual issues.
- Note 5: <u>Landlord Tenant Receipt Categories</u> Transactions resulting from landlord / tenant proceedings.
- Note 6: <u>Criminal, miscellaneous and other fees Receipt Categories</u> -Transactions resulting from misdemeanor and/or felony charges brought by a police officer or private citizen. Miscellaneous funds and funds deposited in escrow.

DAVID A. ROSSI CONTROLLER



WILLIAM CALHOON CHIEF DEPUTY CONTROLLER

ALBERT A. TORRENCE SOLICITOR

BEAVER COUNTY COURTHOUSE THIRD STREET -BEAVER, PENNSYLVANIA 15009-2196 TELEPHONE: 724-728-5700

October 11, 2016

Mr. A. R. DeFilippi Beaver County Court Administrator Beaver County Court House Beaver, PA 15009

Report on Internal Control Structure

We have audited the accompanying statements of account for the nine District Courts located in Beaver County, Pennsylvania, for the period January 1, 2014 to December 31, 2015, and have issued our summary report thereon dated October 11, 2016.

We conducted our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. In planning and performing our audits of the District Courts in Beaver County, Pennsylvania, for the period January 1, 2014 to December 31, 2015, we considered each office's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of each District Court is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with prescribed policies. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, future reliance on any evaluation of the structure, past or current, is subject to the risk that

procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the internal control structure we obtained an understanding of the design of relevant policies and procedures and whether they had been placed in operation. Additionally, we assessed control risk for the internal control structure. Compliance with applicable laws and regulations was considered when assessing control risk for the internal control structure.

We noted no matters involving the internal control structure and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the office's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce, to a relatively low level, the risk that material errors or irregularities affecting the financial statements being audited may occur and not be timely detected by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses as defined above. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

This report is intended solely for the information and use of the Office of the Controller, management, and others within the administration. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

David A. Rossi

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Beaver County Controller

An exit conference was held on October 24, 2016 for the purpose of discussing the items presented in this summary report. Those in attendance were:

Court Administration

Aileen Bowers - Deputy Court Administrator

Beaver County Controller's Office

Cheryl Spagnola - Auditor

The results of the summary audit were discussed in their entirety during this conference.

As a part of the Office of the Controller's normal reporting procedure, a copy of this summary report will be distributed to the Beaver County District Magistrates and will be posted in the Controller's section of the Beaver County website.